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More about Casey — and his '65 invasion of Delaware

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Ralph S. Moyed

THE FARMING VENTURE THAT AGAIN has CIA Director William J. Casey in hot water was a loser almost from the beginning.

Alfred J. Moran, the New Orleans industrialist who started it all, lost as much as \$2 million when Multiponics Inc. went bankrupt in 1971, three years after it was formed, triggering lawsuits by outside investors.

Carl Biehl of Houston, head of a stevedoring company on the Gulf Coast and reported associate of underworld figures, lost more than \$1 million.

It is uncertain how much had been invested by Casey, the firm's lawyer, financial adviser and corporate secretary.

But it appears that Casey was the only director to salvage any money out of the deal, as is his habit.

A lawyer for Casey's friend Biehl said none of the partners collected even directors' fees — but Casey was paid for his services as Multiponics' general counsel.

How much is uncertain, said the New Orleans lawyer, George Kimball.

The betting in Washington is that Casey will survive inquiries into two court rulings that Casey and other Multiponics directors misled investors.

If Casey does survive, one reason will be that he is a tough fighter who knows how to use powerful friends when he has his back to the wall.

Except for that ability, Casey might not have gotten out with a bundle when he was accused of unethical conduct in a 1965 civil suit in Wilmington.

John Van Brunt, the Wilmington lawyer who leveled the charge in 1965, said Casey was saved that time by a mysterious call from Washington.

Casey got out of the earlier trouble with the money and soon was lending his genius to a grandiose land and crop deal.

"They were high-stakes gamblers," said William W. Herpel, who recently sold out his International Harvester franchise in Thibideaux, La. Herpel was the court-appointed trustee for the bankrupt corporation and the man who sued Casey and the other directors in a federal court in New Orleans, charging gross mismanagement and negligence.

Alfred Moran, heavily involved in the Gulf Coast waterfront, conceived the idea and brought in Casey and Biehl as his principal partners.

Beginning in 1968, they bought up farms in Louisiana, Mississippi, Arkansas and Florida — 44,000 acres in all. They weren't interested in farming.

"They were speculating on land values and crops — everything from sweet corn to milo maize to soy beans to rice to cotton," said Herpel.

They sold debentures to outside investors — \$3.5 million

"The thing just fell of its own weight," said Herpel.

Other speculators were doing the same thing at the time, Herpel said, but Casey and his partners were overextended and couldn't wait for inflation to pay off their debts.

In the last year, federal courts ruled against Casey and his associates in two lawsuits by Multiponics investors. In one, the court held that Casey and his friends drove Multiponics deep into debt by managing the company in a "pattern of self-interest." In the other, the court ruled that the directors had misled early investors about debts and other matters.

Casey denies wrongdoing and Republican Senate leaders are springing to his defense. Senate Intelligence Committee Chairman Barry M. Goldwater told reporters that they are "making a mountain out of a molehole" with their stories about Casey, who ran for Congress on the Liberal-Republican line in 1966.

CASEY HAS FRIENDS THROUGHOUT the Washington establishment.

In 1965, he needed them, according to Van Brunt, the Wilmington lawyer who represented Nicholas Ridgely du Pont in a 1965 lawsuit against his brother, Eugene du Pont III.

The two du Ponts were embroiled in a dispute over oil and real estate investments made with the help of Casey. Casey was demanding \$770,000 for himself.

At the time, Van Brunt said, Casey had cut himself in for a 20 percent share without putting up any of his own money. Van Brunt wanted the Court of Chancery to rule that Casey had violated legal ethics and was entitled to nothing.

"Casey came storming into town, raising hell with powerful people," Van Brunt said. Eventually, these unidentified people prevailed on Nicholas du Pont to call off Van Brunt.

What tipped the scales was a call from a government official in Washington — Van Brunt never knew who placed it — to his senior law partner, the late Clair J. Killoran, Van Brunt said. "Killoran pulled the string."

Van Brunt dropped the unethical practice charge against Casey. Casey got his \$770,000 — and went on to become chairman of the Securities and Exchange Commission, undersecretary of state, chairman of the Export-Import Bank, Ronald Reagan's campaign manager and director of the CIA.

The du Pont brothers settled the case. Later, a mining engineer who had worked for the brothers committed suicide in Texas.

"At least he did the decent thing," said Van Brunt.